

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB851

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Colgan

3. Committee: Finance

4. Title: Higher Education 9(c) Issuance Bill

5. Summary: Authorizes the Treasury Board to issue bonds pursuant to Article X, Section 9 (c) of the Constitution of Virginia in an amount up to \$10,000,000 plus financing costs to renovate Ambler Johnston Hall at Virginia Polytechnic Institute and State University (Virginia Tech).

The bonds are backed by the full faith and credit of the Commonwealth and therefore, constitute tax-supported debt. The bill also states that an emergency exists and the bill is in force from its passage.

6. Fiscal Impact Estimates: Preliminary. It is expected the identified project will generate sufficient nongeneral fund revenues to pay operating expenses and debt service.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: Virginia Tech may need nongeneral fund appropriations for debt service once the project is complete. Additionally, the institution must set rates, fees, or charges at levels that will generate sufficient net revenues to retire the debt.

9. Specific Agency or Political Subdivisions Affected: Virginia Tech.

10. Technical Amendment Necessary: No.

11. Other Comments: Identical to HB1662.

Date: 1/19/2009 dpbsbj

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cc: Secretary of Finance